



State Board of Equalization

News Release

Vice Chairwoman Betty T. Yee

1st District – San Francisco

Ramon J. Hirsig
Executive Director
www.boe.ca.gov

For Immediate Release

June 19, 2008

Contact:

NR 43-08-Y

Board of Equalization

Anita Gore: 916-327-8988

Department of Motor Vehicles

Michael Marando: 916-657-6437

Board of Equalization and Department of Motor Vehicles Collect \$2.8 Million

Departments Cooperating to Close Tax Gap

Betty T. Yee, Vice Chairwoman of the Board of Equalization (BOE), announced today that the BOE and the Department of Motor Vehicles (DMV) have collected over \$2.8 million in revenue to date as a result of joint enforcement efforts. The new approach to tax compliance is an outcome of a workgroup recently formed to increase cooperation between the agencies.

The goal of the joint workgroup is to share information, work together on enforcement sweeps, identify unregistered licensed dealers, and to assist each other in performing audits.

“Working with the DMV has enabled the two departments to build strong cooperative relationships while collecting millions in revenue to help us close the tax gap,” said Vice Chairwoman Yee.

Failure to file returns and make payments to the BOE contributes to the sales and use tax gap of approximately \$2 billion. The tax gap is defined as the difference between taxes owed and taxes paid. By working cooperatively, the DMV and BOE are jointly developing strategies to improve collections of sales tax and assist in closing the tax gap in the areas where they have joint jurisdiction.

“At a time when every dollar counts, California taxpayers are ultimately the beneficiary of our combined efforts,” said DMV Director George Valverde. “Ensuring that all auto dealers are in compliance is good for all Californians.”

Vice Chairwoman Betty T. Yee was elected to her post in November 2006. Her district includes many of California’s coastal counties, from Del Norte to Santa Barbara, and includes the entire San Francisco Bay Area.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes.

The DMV is a department under the Business, Transportation and Housing Agency, which is under the direction of Secretary Dale E. Bonner. The DMV licenses drivers; maintains driving records; registers and tracks official ownership of vehicles and vessels; investigates auto and identity-related fraud; and licenses car dealers, driving schools, and traffic violator schools.

###